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Public Protection and
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Thomas M. Dorman
Executive Director
Public Service Commission

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Robert E. Spurlin
Commissioner

September 8, 2003

PARTIES OF RECORD

Re: Case No. 2002-00475
Kentucky Power Company

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Richard Raff at 502/564-3940, Extension 260.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas M. Dorman", with a long horizontal flourish extending to the right.

Thomas M. Dorman
Executive Director

Attachment



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INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Main Case File No. 2002-00475
FROM: Richard Raff *RGR*
DATE: September 8, 2003
RE: Kentucky Power Company / Informal Conference

RECEIVED

SEP 08 2003

**PUBLIC SERVICE
COMMISSION**

Pursuant to the Commission's August 25, 2003 Order granting rehearing, an informal conference was held at the Commission's offices on September 4, 2003. A list of the attendees is attached hereto.

The purpose of the conference was to discuss potential dates for a procedural schedule. Kentucky Power stated that it would be performing a cost benefit analysis regarding its proposed transfer of transmission assets to PJM Interconnection, and that it currently anticipates completing and filing the analysis by December 15, 2003. It further indicated that it was considering retaining an outside consultant to perform the cost benefit analysis, but no final decision had yet been made on that issue. PJM indicated that it did not intend to perform any further cost benefit analysis, although it would be submitting testimony in response to the AEP study as well as on the other issues subject to rehearing.

The attendees agreed that it was premature to now establish procedural dates due to the uncertainty of when Kentucky Power's cost benefit study would actually be filed. There was general agreement that once the cost benefit study is filed, a procedural schedule should be entered providing for initial and supplemental data requests to Kentucky Power, an opportunity for intervenors to file testimony, one round of data requests to intervenors on their respective testimony, and a public hearing.

Kentucky Power agreed that it would file with the Commission, with copies to all parties of record, a status report discussing whether the cost benefit analysis will be performed by a consultant or in house personnel, the progress on that study to date, and the most current estimated date for filing the analysis. The first status report will be filed by Kentucky Power during the first week of October 2003, with subsequent reports filed approximately every 30 days thereafter. A few weeks prior to the actual filing of Kentucky Power's cost benefit analysis, the parties will again meet in person or through telephonic or electronic means to discuss specific dates for the procedural schedule.

Attachment

**CASE NO. 2002-00475 AMERICAN ELECTRIC POWER
D/B/A KENTUCKY POWER – TRANSFER TO PJM, LLC.
ATTENDEES – INFORMAL CONFERENCE SEPTEMBER 3, 2003**

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